

SECURITIES AND EXCHANGE COMMISSION
(Release No. 34-56917; File No. SR-NASDAQ-2007-085)

December 6, 2007

Self-Regulatory Organizations; The NASDAQ Stock Market LLC; Order Approving Proposed Rule Change, As Modified By Amendment No. 1 Thereto, Amending Nasdaq's Membership Application Rules

I. Introduction

On October 30, 2007, The NASDAQ Stock Market LLC ("Nasdaq") filed with the Securities and Exchange Commission ("Commission"), pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 ("Act")¹ and Rule 19b-4 thereunder,² a proposed rule change to modify Nasdaq's membership application procedures. The proposed rule change was published for comment in the Federal Register on November 6, 2007.³ On December 4, 2007, Nasdaq filed Amendment No. 1 to the proposed rule change.⁴ The Commission received no comment letters on the proposed rule change. This order approves the proposed rule change, as modified by Amendment No. 1 thereto.

II. Description of the Proposal

Nasdaq is proposing to amend its 1000 Series rules governing its membership application process to tailor the rules to proprietary trading firms. Under the proposed rule, a "proprietary trading firm" is defined as an applicant: (1) that is not required to

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

³ See Securities Exchange Act Release No. 56722 (October 31, 2007), 72 FR 62709 ("Notice").

⁴ In Amendment No. 1, Nasdaq corrected typographical errors and clarified that in Rule 1013(a)(1), an applicant should file an amendment to its membership application no later than 15 days after the applicant "knew or should have known" about facts and circumstances that gave rise to the need for the amendment. Because Amendment No. 1 is technical in nature, it is not subject to notice and comment.

